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April 18, 2011

Ms. Anita Cothran
Director of Finance
CITY OF FRISCO
6101 Frisco Square Blvd., 4th Floor
Frisco, TX 75034

Dear Ms. Cothran:

ANALYSIS OF DEPOSITORY PROPOSALS
For NON-CREDIT BANK SERVICES

We have completed our analysis of the Depository Proposals received for Non-credit Bank Services for the City of Frisco (the "City") in response to the Depository Application/Depository Services Contract (the "RFP"). Each proposal received was reviewed in detail and schedules were prepared to reflect the proposed cost of services and comparative analysis of each.

BACKGROUND

The RFP for a financial institution to serve as the Bank Depository for the three-year contract period of July 1, 2011, through June 30, 2014, was distributed to the following twenty-five financial institutions on March 11, 2011:

1.	American Bank of Texas
2.	Bank of America, NA
3.	Bank of Texas
4.	Bank of the Ozarks
5.	Branch Banking and Trust Company
6.	Capital One, NA
7.	CitiBank, NA
8.	Collin Bank
9.	Comerica Bank

10.	Community South Bank
11.	Compass Bank
12.	Crescent Bank & Trust
13.	First National Bank of Omaha
14.	First National Bank Texas
15.	Independent Bank of Texas
16.	JP Morgan Chase Bank, NA (Current Depository)
17.	Legacy Texas Bank
18.	North Dallas Bank & Trust Co.
19.	PlainsCapital Bank
20.	Prosper Bank
21.	Prosperity Bank
22.	Sterling Bank
23.	Texas Republic Bank, NA
24.	The Stillwater National Bank and Trust Company
25.	Wells Fargo Bank, NA

The RFP described the required banking services, the transaction volumes, and provided other information necessary for the institutions to respond with a proposal as requested.

The RFP was duly advertised on March 11 and March 18, 2011. The City accepted proposals from financial institutions located only within the City boundaries:

PROPOSALS

Of the twenty-five financial institutions solicited for proposals, five responded with timely proposals. The City received proposals from:

1.	Wells Fargo Bank
2.	Capital One
3.	J P Morgan Chase Bank (Current Depository)
4.	Branch Banking & Trust
5.	First National Bank of Omaha

EVALUATION OF THE PROPOSALS

The proposals have been analyzed in accordance with the criteria stated in the Depository Application which included the following in weighted order highest to lowest equaling 100%:

- Ability to perform and provide the required and requested services (15%);
- Cost of banking services (15%);
- Completeness and agreement to points outlined in the Depository Application (15%);
- Interest rates paid on interest-bearing accounts, time deposits, and investments (15%);
- Financial strength and stability (15%);
- Earnings credit on average available account balances (10%);
- Funds availability (5%);
- Convenience of locations (5%);
- Previous service relationship with the City and its related entities (5%).

Specifically, in addition to the determination of the cost of services, the proposals were each analyzed with respect to the following considerations:

1. Availability of Funds
2. Investment Comparisons
3. Financial Stability & Strength
4. Ability to Provide Services
5. Convenience of Bank Location
6. Certificate of Deposit Rate Comparisons
7. Collateralization
8. Safekeeping
9. Savings Account Historical Interest Rates
10. Other Factors
 - a. Earnings Credit Rates
 - b. Reserve Requirement
 - c. Account Analysis
 - d. Overdraft Provisions
 - e. FDIC Insurance Rate
 - f. Bank Cash Management Services
 - g. Special Bank Benefits for Employees
 - h. Settlement of Bank Fees
 - i. Extension Period

COMPARATIVE ANALYSIS

The proposals were compared in detail in each of the areas listed above, starting with the cost of services to the City over the term of the contract for the pro forma services and transaction volumes.

FINDINGS

The proposals received are listed below in ascending order based upon the proposal amount for current bank services for the contract period, along with the spread to the low Proposal:

Bank	Three-year Contract Period Total Proposal Amount	Difference To Low Proposal
Wells Fargo	\$74,839	\$0
JP Morgan Chase	99,171	24,332
Capital One	130,622	55,783
Branch Bank and Trust	268,510	193,671
First National Bank of Omaha	277,722	202,883

Note: See Cost Recap of Proposals for the net difference including projected interest income.

CONCLUSION

The least cost and most beneficial proposal for bank services is to be determined by the City Staff and the Audit Committee.

It has been a pleasure working with you and your staff on this important project.

Sincerely yours,

ARVIZU FINANCIAL GROUP



Benjamin Arvizu

BA/jan